



Town of Colchester, Connecticut

OFFICE OF THE ASSESSOR

127 Norwich Avenue, Colchester, Connecticut 06415

February 19, 2016

Re: HB 5182

Members of the Planning & Development Committee:

I would like to express our support of HB 5182 An Act Exempting Leased Municipal Property.

The current statute states that if the Town of Colchester owns property and it is used for public purpose, then it is exempt. However, if our town leases property that it used for public purposes, it is taxable.

Therefore, if the Town of Colchester purchases a plow truck it is exempt and when we lease it, it is taxable.

The problem lies in that when the Town of Colchester leases the plow truck, the lease agreement requires the Town of Colchester to reimburse the leasing company for the taxes that they have to pay to the Town of Colchester. We literally are taking money out of our left pocket and putting it into our right pocket when our Finance Department sends a check to a leasing company that sends a check to our Tax Collector.

The worst part is that we do not even break even. We incur out of pocket expenses for creating, stuffing, mailing & postage of tax bills for numerous leasing companies. Additionally, while not a expense, this system is a poor utilization of our resources as our Assessor must track and assess each leased item, our Tax Collector must bill, collect & post the taxes for each item, the Finance Department must receive bills from the leasing companies, post the accounts as paid, cut the checks, and every department must prepare an annual budget and include budgeting for these items.

A significant amount of municipal resources are required and utilized with absolutely no reward. In our town, we lease a building for our senior center, the Board of Education leases a building for some additional classroom space, and the Town, BOE, and Library all lease personal property (photocopier machines, vehicle, etc.).

HB 5182 is the only exemption bill before you this year that will not produce a revenue loss and its passage will actually reduce costs to the town, cut red tape, free up employee resources so that they may better serve the public.

Respectfully,

John Chaponis

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